



<b>MEETING TITLE</b> Board Meeting in Public		<b>MEETING DATE</b> 26/09/2019	
<b>TITLE of PAPER</b>	Annual Audit Committee Report	<b>PAPER REF</b>	3.4b
<b>KEY PRIORITIES</b>	Create a safe and high performing organisation based on openness, ownership and accountability		
<b>PURPOSE OF THE PAPER</b>	This paper presents a report on the activities of the Trust Board's Audit Committee during, and subsequently in respect of, the financial year 2018/19.		
<b>For Approval</b>	<input type="checkbox"/>	<b>For Assurance</b>	<input checked="" type="checkbox"/>
<b>For Decision</b>	<input type="checkbox"/>	<b>Discussion/Information</b>	<input checked="" type="checkbox"/>
<b>AUTHOR / LEAD</b>	Kathryn Vause, Deputy Director of Finance	<b>ACCOUNTABLE DIRECTOR</b>	Mark Bradley, Executive Director of Finance
<b>DISCUSSED AT / INFORMED BY –</b>			
<b>PREVIOUSLY AGREED AT:</b>	<b>Committee/Group:</b> Choose an item. Choose an item.	<b>Date:</b> Click to enter date Click to enter date	
<b>RECOMMENDATION(S)</b>	It is recommended that the Board note the contents of the attached report and approve this as the Committee's report to the Board for the 2018/19 financial year.		
<b>RISK ASSESSMENT</b>		<b>Yes</b>	<b>No</b>
<b>Corporate Risk Register and/or Board Assurance Framework amended</b> <i>If 'Yes' – expand in Section 4. / attached paper</i>		<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Equality Impact Assessment - [New]</b> <i>If 'Yes' – expand in Section 2. / attached paper</i>		<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Resource Implications (Financial, Workforce, other - specify)</b> <i>If 'Yes' – expand in Section 2. / attached paper</i>		<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Legal implications/Regulatory requirements</b> <i>If 'Yes' – expand in Section 2. / attached paper</i>		<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>ASSURANCE/COMPLIANCE</b>			
<b>Care Quality Commission</b> Choose a DOMAIN(s)		2: Effective Choose an item.	
<b>NHSI Single Oversight Framework</b> Choose a THEME(s)		3. Finance & Use of Resources Choose an item.	

**1. PURPOSE/AIM**

- 1.1 This paper presents a report on the activities of the Trust Board's Audit Committee during, and subsequently in respect of, the financial year 2018/19.

**2. BACKGROUND/CONTEXT**

- 2.1 The report provides an annual report of of the Audit Committee activities to the Board.

**3. RECOMMENDATIONS**

- 3.1 It is recommended that the Board note the contents of the attached report and approve this as the Committee's report to the Board for the 2018/19 financial year.

**4 APPENDIX:**

Yorkshire Ambulance Service NHS Trust Audit Committee Annual Report  
2018/19.

## **Appendix - Yorkshire Ambulance Service NHS Trust Audit Committee Annual Report 2018/19**

### **1. Purpose of report**

This report is designed to summarise for the Trust Board the activities of the Trust Board's Audit Committee ('the Committee') during, and subsequently in respect of, the financial year 2018/2019.

### **2. Constitution of the Committee**

Membership of the Committee over the year and meetings held are provided in Annex B to this report.

Richard Keighley acted as Chair for the Committee up to 25 January 2019. Stan Hardy took on the role from 18 March 2019.

### **3.0 Duties of the Committee**

Duties of the Committee are set out in its Terms of Reference. Details are provided as Annex A.

The Committee reports in an appropriate and timely manner on matters within this remit to the Trust Board.

#### **How the Committee discharged its duties in 2018/19**

### **3.1 Review of the system of governance, risk management and internal control**

The Committee reviewed and assessed the Trust's Board Assurance Framework at all of its meetings during the year except the May meeting (which was focused on year end reporting), ensuring that changes both in recognised key risks and in risk mitigation actions were appropriate.

The Committee received and challenged assurances provided by other Board committees, by the Internal Audit function and by executive management.

At the April 2018 meeting, the Committee received, considered and approved the Annual Governance Statement for 2017/18.

Following the annual review of the Trust's Standing Financial Instructions (SFIs) and Standing Orders (SOs) in January 2018, the Committee approved a change to move the procurement process into a separate policy and to amend the SFIs to reflect this at the 10 April 2018 meeting.

### **3.2 Ensuring effective Internal Audit function**

During the year, the Committee:

- Reviewed and challenged Internal Audit progress reports at each of its meetings and individual Internal Audit reports as presented

- Monitored compliance with and adoption of audit recommendations
- Reviewed, challenged and accepted a review of internal audit effectiveness
- Monitored the development of the Internal Audit Plan.

At the May 2018 meeting, the Committee received the 2017/18 Internal Audit Annual Report and Head of Internal Audit Opinion, which provided good assurance that there is a sound system of internal control, designed to meet the organisation's objectives, and that controls are generally being applied consistently..

### **3.3 Reviewing the work and findings of the External Auditors**

During the year, the Committee:

- Received and considered the External Auditors' opinion, feedback and assurances regarding the 2017/18 Annual Report and Accounts, Annual Governance Statement and Quality Account
- Considered and satisfied itself regarding the effectiveness of the External Auditors during 2017/18
- Reviewed and satisfied itself regarding the External Audit Plan for the audit of the 31 March 2019 financial statements.

At the May 2018 Committee meeting the External Auditors provided their opinion, feedback and assurances regarding the 2017/18 Annual Report and Accounts, the Annual Governance Statement and the Quality Account.

### **3.4 Reviewing the work of other committees for relevant assurance**

During the year the Committee received reports and assurances from the Quality Committee and Finance & Investment Committee relevant to the Committee's duties and concerns.

### **3.5 Reviewing the findings of other significant assurance functions**

The Committee reviewed and considered the findings of other significant assurance functions during its regular reviews of the Board Assurance Framework.

### **3.6 Ensuring adequate arrangements for countering fraud**

During the year the Committee:

- Received, reviewed and was assured by the Counter Fraud Annual Report.
- Reviewed and approved the Trust's Anti-Fraud, Bribery and Corruption Policy
- Received and considered progress reports at each Committee meeting.

### **3.7 Monitor the integrity of the financial statements, and review the systems for financial reporting**

During the year the Committee received assurances from:

- The Finance Directorate
- Internal Audit
- External Audit
- The Finance & Investment Committee

Regarding the integrity of the Trust's financial statements for the year ending 31 March 2018, including the appropriateness of the accounting policies employed.

At its meeting in May 2018, the Committee received appropriate assurances regarding the financial statements for the year ending 31 March 2018, enabling it to recommend the approval thereof to the Trust Board.

#### **4 Integration with the Trust Board**

The Committee Chairman reported significant matters arising during the year to each Trust Board meeting in public on behalf of the Committee.

Duly approved minutes of the Committee meetings were presented to the Trust Board by the Committee Chairman, where they were formally discussed and received by the Board of Directors.

#### **5 Terms of reference**

The Committee constantly monitors its terms of reference, their continued suitability and the Committee's continuing compliance. The current Terms of Reference were confirmed at the Trust Board meeting of 19 February 2019.

#### **6 Committee annual report**

A report detailing the activities of the Committee throughout the 2017/18 financial year was presented at the 10 July 2018 meeting.

#### **7 Work undertaken by Internal Audit**

Internal Audit (provided by AuditOne) provided their Annual Report for 2018/19 to the Audit Committee at its May 2019 meeting. This summarised their work undertaken during the year and incorporated the Head of Internal Audit's opinion to support the Annual Governance Statement.

Based upon the internal audit work performed and the results obtained, the Head of Internal Audit Opinion for 2018/19 was:

***From my review of your systems of internal control, I am providing good assurance that there is a sound system of internal control, designed to meet the organisation's objectives, and that controls are generally being applied consistently.***

The Audit Committee meets with the Head of Internal Audit in private at least annually.

## **8 Work undertaken by External Audit**

Ernst & Young were External Auditors of the Trust for the financial year ended 31 March 2019. Under the Code of Audit Practice, the appointed auditors' main responsibilities are:

- to issue an opinion on the Trust's financial statements; and
- to conclude on whether, in all significant respects, the Trust has put in place proper arrangements to secure economy, efficiency and effectiveness in the use of its resources.

The External Auditors' conclusion in respect of the 2018/19 Annual Report and Accounts was that these

- give a true and fair view of the financial position of Yorkshire Ambulance Service NHS Trust as at 31 March 2019 and of its expenditure and income for the year then ended; and
- have been prepared properly in accordance with the National Health Service Act 2006 and the Accounts Directions issued thereunder.

There were no matters to report by exception.

The Audit Committee meets with External Audit in private at least annually.

Stan Hardy  
Chairman, Audit Committee – Yorkshire Ambulance Service NHS Trust

30 June 2019

## **Annex A: Audit Committee purpose**

The purpose of the Committee is set out in the Terms of Reference as follows.

### **1. PURPOSE**

The purpose of the Audit Committee [the Committee] is to:

1. review the establishment and maintenance of an effective system of integrated governance, risk management and internal control across the whole of the organisation's activities (both clinical and non-clinical) that supports the achievement of the organisation's objectives.
2. ensure that there is an effective internal audit function that meets the mandatory Public Sector Internal Audit Standards and provides appropriate independent assurance to the Chief Executive, Audit Committee and Board.
3. review the work and findings of the external auditors and consider the implications and management's responses to their work.
4. review the work of other committees within the organisation whose work can provide relevant assurance to the Audit Committee's own scope of work. This will, in particular, include the review of assurances provided to the Committee by the Quality Committee and the Finance and Investment Committee.
5. review the findings of other significant assurance functions, both internal and external to the organisation and consider the implications for the governance of the organisation.
6. satisfy itself that the organisation has adequate arrangements in place for countering fraud and shall review the outcomes of counter fraud work.
7. monitor the integrity of the financial statements of the Trust and any formal announcements relating to the Trust's financial performance.
8. ensure that the systems for financial reporting to the Board, including those of budgetary control, are subject to review as to the completeness and accuracy of the information provided to the Board. A primary source of assurance in this regard shall be the Finance and Investment Committee.
9. report in an appropriate and timely manner on all such matters to the Board.

## Annex B: Membership and attendance

The following Non-Executive Directors were members of the Committee during the financial year 2017/18:

Richard Keighley (Committee Chairman to 25 January 2019)

Ronnie Coutts (until 31 August 2018)

Erfana Mahmood (until 16 May 2018)

Phil Storr

John Nutton

Tim Gilpin

Anne Cooper (from 18 January 2019)

Stan Hardy (Committee Chairman from 18 March 2019)

The Committee met five times during the financial year 2018/19:

	Richard Keighley	Ronnie Coutts	Erfana Mahmood	Phil Storr	John Nutton	Tim Gilpin	Anne Cooper
10.04.18	✓	✗	✓	✓	✓	✗	
24.05.18	✓	✗		✓	✓	✗	
10.07.18	✓	✓		✓	✓	✗	
30.11.18*	✓			✗	✗	✓	
17.01.19	✗			✓	✓	✓	✓

\* The meeting of 30.11.18 was not quorate, however it was agreed that the committee should proceed in order to expedite its business and Board assurance role.

Meetings were also attended by The Executive Director of Quality, Governance and Performance Assurance, reporting in particular on the Corporate Risk Register and the Board Assurance Framework.

The Executive Director of Finance also attended all meetings of the Committee during the year reporting on finance and performance matters and on meetings with the Internal and External Auditors.

The Committee invited the Trust's internal and external auditors to its meetings and at least one representative of each function attended every meeting.



